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09/837,852	04/18/2001	Brian Mark Shuster	70111.00022	9134
58688 7590 02/21/2008 CONNOLLY BOVE LODGE & HUTZ LLP P.O. BOX 2207 WILMINGTON, DE 19899			EXAMINER FADOK, MARK A	
			ART UNIT 3625	PAPER NUMBER
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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/837,852  
Filing Date: April 18, 2001  
Appellant(s): SHUSTER, BRIAN MARK

**MAILED**

FEB 21 2008

**GROUP 3600**

\_\_\_\_\_  
Mr. Jonathan Jaech  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed 11/20/2007 appealing from the Office action mailed 6/20/2007.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

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**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

6,561,250

Johnson

07-2003

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

**Examiner's Note**

Examiner has cited particular columns and line numbers or figures in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-3, 5-12, and 14-17 are rejected under 35 U.S.C. 102(e) as being anticipated by Johnson (6,591,250).

**In regards to claim 1**, Johnson discloses a method for managing virtual properties that exist solely in a virtual form within a computer network and that have no physical counterparts (col 18, lines 20-25), comprising:

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Johnson teaches providing virtual properties for use in a game (col 18, 20-35). This embodiment provides for the digital copies to be placed on a client computer. The reasoning for this improvement over the conventional system of server stored objects can be found in col 9, lines 64-67, where it is explained that large numbers of properties would require a large amount of disk space. Johnson teaches a central computer to store the virtual properties (col 17, lines 25-40).

assigning ownership of the virtual properties to a plurality of owners participating in the computer game (FIG 5C),

said ownership configured through said computer game such that said property owners are permitted to use said virtual properties in said computer game but are not permitted to possess a digital copy of any of said virtual properties (see FIG 10 and discussion above);

maintaining an inventory of said virtual properties in a centralized database accessible by said property owners via a network connection (FIG 10);

allowing said property owners to transfer ownership of their respective virtual properties via said network connection (col 17, lines 40-50); and

maintaining updated records regarding ownership of their respective virtual properties in said centralized database (FIG 5C).

**In regards to claim 2**, Johnson teaches wherein said step of maintaining an inventory comprises searching for a desired one of said virtual properties within said memory (col 17, lines 23-54).

**In regards to claim 3**, Johnson teaches wherein said step of maintaining updated records regarding ownership comprises associating said virtual properties with respective ones of said property owners (col 5, lines 9-25).

**In regards to claim 5**, Johnson teaches wherein said step of allowing said property owners to transfer ownership comprises allowing the property owners to sell their respective virtual properties to buyers (col 17, line 24-38).

**In regards to claim 6**, Johnson teaches wherein said step of allowing said property owners to transfer ownership comprises allowing said property owners to trade their respective properties for other ones of said virtual properties (col 3, lines 21-32).

**In regards to claim 7**, Johnson teaches wherein said step of allowing property owners to transfer ownership comprises allowing at least one of said property owners to win one of said virtual properties from another property owner in the course of the game (col 3, lines 21-32).

**In regards to claim 8**, Johnson teaches the step of coordinating with partners via said network to identify additional virtual properties not included in said inventory (col 18, line 600).

**In regards to claims 9-12 and 14-17**, these claims are considered parallel to claims 1-3,5-8 above and are rejected for the same rationale.

#### **(10) Response to Argument**

Appellant argues that by using the motivation statement to explain why one reading the disclosure of Johnson would be motivated to use an alternative embodiment alluded to the rejection being a USC 103. Since this appears to be creating confusion over the statutory class of the rejection, the statement "Johnson would be motivated to use the central server embodiment for the game when the value of the objects becomes significant (col 13, lines 7-15)" has been removed from the rejection supra.

Appellant argues that the virtual items described in the gaming embodiment are not in a central location. The examiner agrees that the specific embodiment that the appellant directs attention seeks to improve the conventional system of central storage by moving the objects which require considerable storage space to the user computer. The improvement tracks, authenticates and provides for trading by placing the objects on the user's computer (col 13, lines 60 - col 14, lines 27). However, Johnson does not criticize, discredit, or otherwise discourage the use of a central system indicating that items cannot be forged because they are stored locally and not transmitted to the client over the network (col 1, lines 59-67), in fact Johnson describes the same functionality of

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storing the objects centrally in FIG's 9B and FIG 10, therefore the claim is anticipated because the structure is known in Johnson.

The MPEP 2131 [R1] "When a claim covers several structures or compositions, either generically or as alternatives, the claim is deemed anticipated if any of the structures or compositions within the scope of the claim is known in the prior art." *Brown v. 3M*, 265 F.3d 1349, 1351, 60 USPQ2d 1375, 1376 (Fed. Cir. 2001)".

"When the prior art device is the same as a device described in the specification for carrying out the claimed method, it can be assumed the device will inherently perform the claimed process. *In re King*, 801 F.2d 1324, 231 USPQ 136 (Fed. Cir. 1986)".

## 2123 [R-5] Rejection Over Prior Art's Broad Disclosure Instead of Preferred Embodiments

### I. PATENTS ARE RELEVANT AS PRIOR ART FOR ALL THEY CONTAIN

"The use of patents as references is not limited to what the patentees describe as their own inventions or to the problems with which they are concerned. They are part of the literature of the art, relevant for all they contain." *In re Heck*, 699 F.2d 1331, 1332-33, 216 USPQ 1038, 1039 (Fed. Cir. 1983) (quoting *In re Lemelson*, 397 F.2d 1006, 1009, 158 USPQ 275, 277 (CCPA 1968)).

A reference may be relied upon for all that it would have reasonably suggested to one having ordinary skill the art, including nonpreferred embodiments. *Merck & Co. v. Biocraft Laboratories*, 874 F.2d 804, 10 USPQ2d 1843 (Fed. Cir.), cert. denied, 493

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U.S. 975 (1989). See also > Upsher-Smith Labs. v. PamLab, LLC, 412 F.3d 1319, 1323, 75 USPQ2d 1213, 1215 (Fed. Cir. 2005)(reference disclosing optional inclusion of a particular component teaches compositions that both do and do not contain that component);< Celeritas Technologies Ltd. v. Rockwell International Corp., 150 F.3d 1354, 1361, 47 USPQ2d 1516, 1522-23 (Fed. Cir. 1998) (The court held that the prior art anticipated the claims even though it taught away from the claimed invention. "The fact that a modem with a single carrier data signal is shown to be less than optimal does not vitiate the fact that it is disclosed.").

>See also MPEP § 2131.05 and § 2145, subsection X.D., which discuss prior art that teaches away from the claimed invention in the context of anticipation and obviousness, respectively.<

## II. NONPREFERRED AND ALTERNATIVE EMBODIMENTS

### CONSTITUTE PRIOR ART

Disclosed examples and preferred embodiments do not constitute a teaching away from a broader disclosure or nonpreferred embodiments. In re Susi, 440 F.2d 442, 169 USPQ 423 (CCPA 1971). "A known or obvious composition does not become patentable simply because it has been described **as somewhat inferior to some other product for the same use.**" In re Gurley, 27 F.3d 551, 554, 31 USPQ2d 1130, 1132 (Fed. Cir. 1994) (The invention was directed to an epoxy impregnated fiber-reinforced printed circuit material. The applied prior art reference taught a printed circuit material similar to that of the claims but impregnated with polyester-imide resin instead of epoxy. The reference, however, disclosed that epoxy was known for this use, but that epoxy



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impregnated circuit boards have “relatively acceptable dimensional stability” and “some degree of flexibility,” but are inferior to circuit boards impregnated with polyester-imide resins. The court upheld the rejection concluding that applicant’s argument that the reference teaches away from using epoxy was insufficient to overcome the rejection since “Gurley asserted no discovery beyond what was known in the art.” 27 F.3d at 554, 31 USPQ2d at 1132.).

Furthermore, “[t]he prior art’s mere disclosure of more than one alternative does not constitute a teaching away from any of these alternatives because such disclosure does not criticize, discredit, or otherwise discourage the solution claimed....” In re Fulton, 391 F.3d 1195, 1201, 73 USPQ2d 1141, 1146 (Fed. Cir. 2004).

Johnson teaches that the centralized storage model (described in col 1, lines 45-67) is important when items are of significant value and that internet games objects containing objects of less value do not need the increased security of a centralized system and can therefore use a distributed system (col 13, lines 7-14) does not criticize the centralized system, but seeks to improve upon it by distributing the storage requirements.

**In regards to claims 7 and 16** appellant argues that Johnson does not teach “allowing at least one property owner to win”. The examiner disagrees and provides the following support.

Appellant's specification only provides one paragraph that would enable the functionality necessary to support appellant's claim to the feature of allowing a person to win, this is described on page 13, lines 1-13 which state:

"The digital trading cards may also be used as part of a multi-player game that is accessible via a game server. The digital trading cards may be "won" or "lost" throughout the course of a particular game. Within the context of such games, it is well known that certain game cards can be played versus other game cards in order to win ownership of that particular card. In an embodiment of this invention, these games may be played over the Internet 20 where the virtual ownership of these cards is managed by the merchant computer system 10 as dictated by the course of the game. It should be appreciated that the transfer of ownership associated with "winning" or "losing" a particular card would be analogous to the procedure for the sale or trade of a virtual property previously described in the flow chart of FIG. 3. It should be further appreciated that in this type of embodiment, a merchant computer system 10 will determine the confirmation of a particular game card transaction (i.e., the winning or losing of a card) at step 245 of FIG. 3 according to the rules and restrictions of the game being played".

Since the procedure (functionality) is the same for "winning" as they are for "trading" and appellant does not argue that Johnson teaches trading functionality, the functionality of "allowing a person to win, (receive a virtual property after agreement that the property is to be transferred) is taught by Johnson.

Additionally, in regards to claims 7 and 16, Applicant argues that the prior examiner in the 7/16/2004 office action conceded that Johnson did not teach winning virtual property from another during the course of the game. The examiner notes that a traverse of this taking of official notice was not taken in any subsequent reply therefore it is considered to be taken as admitted prior art.

A "traverse" is a denial of an opposing party's allegations of fact. The Examiner respectfully submits that applicants' arguments and comments do not appear to traverse what Examiner regards as knowledge that would have been generally available to one of ordinary skill in the art at the time the invention was made. Even if one were to interpret applicants' arguments and comments as constituting a traverse, applicants' arguments and comments do not appear to constitute an adequate traverse because applicant has not specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. 27 CFR 1.104(d)(2), MPEP 707.07(a). An adequate traverse must contain adequate information or argument to create on its face a reasonable doubt regarding the circumstances justifying Examiner's notice of what is well known to one of ordinary skill in the art. In re Boon, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA1971).

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If applicant does not seasonably traverse the well known statement during examination, then the object of the well known statement is taken to be admitted prior art. In re Chevenard, 139 F.2d 71, 60 USPQ 239 (CCPA 1943).

In addition the applicant's own specification concedes that "Within the context of such games, it is well known that certain game cards can be played versus other game cards in order to win ownership of that particular card" (applicant's specification, page 13, lines 1-13).

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Mark Fadok/

Primary Examiner, Art Unit 3625

Conferees:



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Appeals Specialist